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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

ALLSTATE INSURANCE COMPANY,
ALLSTATE PROPERTY & CASUALTY
INSURANCE COMPANY, ALLSTATE
INDEMNITY COMPANY, and ALLSTATE
FIRE & CASUALTY INSURANCE
COMPANY,

Plaintiffs,

v.

RUSSELL J. SHAH, MD, DIPTI R. SHAH,
MD, RUSSELL J. SHAH, MD, LTD., DIPTI
R. SHAH, MD, LTD., and RADAR
MEDICAL GROUP, LLP dba UNIVERSITY
URGENT CARE, DOES 1-100, and ROES
101-200,

Defendants.

CASE NO. —

**COMPLAINT FOR DAMAGES AND
DEMAND FOR JURY TRIAL**

Plaintiffs ALLSTATE INSURANCE COMPANY, ALLSTATE PROPERTY & CASUALTY
INSURANCE COMPANY, ALLSTATE INDEMNITY COMPANY, and ALLSTATE FIRE &
CASUALTY INSURANCE COMPANY (hereinafter collectively referred to as “Plaintiffs” or
“Allstate”), by and through their attorneys of record of the law firm McCORMICK, BARSTOW,
SHEPPARD, WAYTE & CARRUTH LLP, hereby submit the following Complaint for Damages
against Defendants RUSSELL J. SHAH, MD (“Dr. Russell Shah”), DIPTI R. SHAH, MD (“Dr. Dipti
Shah”), DIPTI R. SHAH, MD, LTD. (“DRS”), RUSSELL J. SHAH, MD, LTD. (“RJS”), and RADAR

1 MEDICAL GROUP, LLP, dba UNIVERSITY URGENT CARE (“Radar” or “UUC”), as more fully
2 set forth below.

3 **DEMAND FOR A JURY TRIAL**

4 1. Plaintiffs hereby demand a trial by jury on all issues, counts, claims and allegations
5 contained within this Complaint or to be pleaded in the future, if necessary.

6 **JURISDICTION AND VENUE**

7 2. This action is brought under the Federal Racketeer Influenced and Corrupt
8 Organization Act (“RICO Act”), 18 USC §1961, *et seq.*, and various other Nevada common law
9 doctrines and/or statutes. Jurisdiction is vested in this Court by virtue of 17 USC §501(b) and 28 USC
10 §1331. Plaintiffs’ claims brought under Nevada law are so related to Plaintiffs’ Federal claims, over
11 which the Court has original jurisdiction, that they form part of the same case or controversy. Under
12 Article III of the United States Constitution, the Court has supplemental jurisdiction over Plaintiffs’
13 Nevada common law and/or statutory claims pursuant to 28 USC §1367.

14 3. This Court further and alternatively has jurisdiction over this action pursuant to 28
15 USC §1332(a) based upon diversity of citizenship. Plaintiffs are citizens and residents of the State of
16 Illinois. Defendants are citizens and residents of the State of Nevada, and have their principal place of
17 business in the State of Nevada. The amount in controversy exceeds \$75,000 exclusive of interest and
18 costs.

19 4. A substantial part of the acts and omissions giving rise to the claims stated herein
20 occurred in this District (within the cities of Las Vegas and Henderson, in the state of Nevada) and all
21 Defendants are found in this District. Venue is proper in this District and this Division pursuant to 28
22 USC §§1391(b)(2) and (3) and pursuant to 18 USC §1965(b).

23 **PARTIES TO THIS LITIGATION**

24 5. Plaintiff, ALLSTATE INSURANCE COMPANY, is a corporation incorporated under
25 the laws of the state of Illinois, with its principal place of business in Illinois.

26 6. Plaintiff, ALLSTATE PROPERTY & CASUALTY INSURANCE COMPANY, is a
27 corporation incorporated under the laws of the state of Illinois, with its principal place of business in
28 Illinois.

1 7. Plaintiff, ALLSTATE INDEMNITY COMPANY, is a corporation incorporated under
2 the laws of the state of Illinois, with its principal place of business in Illinois.

3 8. Plaintiff, ALLSTATE FIRE & CASUALTY INSURANCE COMPANY, is a
4 corporation incorporated under the laws of the state of Illinois, with its principal place of business in
5 Illinois.

6 9. Defendant, DIPTI R. SHAH, MD, ("Dr. Dipti Shah") is a competent adult, and a
7 resident of the State of Nevada and has been employed as and working as a doctor of medicine,
8 licensed and practicing within the state of Nevada focusing on internal medicine and nephrology. Dr.
9 Dipti Shah is, and at all relevant times was, a managerial employee and/or agent of the other
10 defendants. Dr. Dipti Shah participated in each of the wrongful acts, omissions and conduct described
11 below and/or had actual and/or constructive notice of the wrongful acts, omissions and conduct
12 perpetrated upon Plaintiffs, as set forth below. At all times relevant herein, Dr. Dipti Shah had both
13 the authority and duty to prevent and correct the same, and by her conduct condoned, supported and
14 ratified such wrongful acts, omissions and/or conduct described herein.

15 10. Defendant, DIPTI R. SHAH, MD, LTD. ("DRS") is, and an at all relevant time was, a
16 professional corporation organized under the laws of the State of Nevada, located at 2628 W.
17 Charleston Boulevard, Las Vegas, Nevada. Plaintiffs further allege that Dr. Dipti Shah, at all relevant
18 times, maintained ownership and/or control over, and/or managed DRS and that Dr. Dipti Shah is a
19 corporate officer of DRS. Dr. Dipti Shah has owned, operated and managed DRS since it opened in or
20 about 2007. Dr. Dipti Shah at all times herein relevant has also been employed as a licensed doctor at
21 DRS. Plaintiffs are further informed and believe that at all times relevant herein, Dr. Dipti Shah and
22 Dr. Russell Shah derived a monetary profit from or had a financial interest in DRS.

23 11. Defendant, RUSSELL J. SHAH, MD, ("Dr. Russell Shah") is a competent adult, and a
24 resident of the State of Nevada and has been employed as and working as a doctor of medicine,
25 licensed and practicing within the state of Nevada. Dr. Russell Shah is a non-board certified
26 neurologist. Dr. Russell Shah is, and at all relevant times was, a managerial employee and/or agent of
27 the other defendants. Dr. Russell Shah participated in each of the wrongful acts, omissions and
28 conduct described below and/or had actual and/or constructive notice of the wrongful acts, omissions

1 and conduct perpetrated upon Plaintiffs, as set forth below. At all times relevant herein, Dr. Russell
 2 Shah had both the authority and duty to prevent and correct the same, and by his conduct condoned,
 3 supported and ratified such wrongful acts, omissions and/or conduct described herein.

4 12. Defendant, RUSSELL J. SHAH, MD, LTD. ("RJS") is, and at all relevant times was, a
 5 professional corporation organized under the laws of the State of Nevada, located at 2628 W.
 6 Charleston Boulevard, Las Vegas, Nevada. Plaintiffs further allege that Dr. Russell Shah, at all
 7 relevant times, maintained ownership and/or control over, and/or managed RJS and that Dr. Russell
 8 Shah is a corporate officer of DRS. Dr. Russell Shah has owned, operated and managed RJS since it
 9 opened in or about 2004. Dr. Dipti Shah is the registered agent for RJS. Dr. Russell Shah at all times
 10 herein relevant has also been employed as a licensed doctor at RJS. Plaintiffs are further informed and
 11 believe that at all times relevant herein, Dr. Russell Shah and Dr. Dipti Shah derived a monetary profit
 12 from or had a financial interest in RJS.

13 13. Defendant, RADAR MEDICAL GROUP, LLP, dba UNIVERSITY URGENT CARE (
 14 "Radar" or "UUC"), is, and at all relevant times was, a limited liability partnership organized under
 15 the laws of the State of Nevada, located at 2628 W. Charleston Boulevard, Las Vegas, Nevada. Radar
 16 also does business as University Urgent Care. Plaintiffs further allege that Dr. Dipti Shah and Dr.
 17 Russell Shah, at all relevant times, maintained ownership and/or control over, and/or managed UUC
 18 and that they are the managing partners and corporate officers of UUC. Dr. Dipti Shah and Dr. Russell
 19 Shah have owned, operated and managed UUC since it opened in or about 2007. Dr. Dipti Shah, at all
 20 relevant times herein, has also been employed as a licensed doctor at UUC. Plaintiffs are further
 21 informed and believe that at all times relevant herein, Dr. Dipti Shah and Dr. Russell Shah derived a
 22 monetary profit from or had a financial interest in UUC.

23 ALLEGED CO-CONSPIRATORS

24 14. Plaintiffs are informed and believe that there are various physicians, attorneys, and
 25 entities in Las Vegas and Henderson that have conspired with the above defendants to defraud
 26 Plaintiffs. Plaintiffs reserve the right to amend their complaint to add said physicians, attorneys, and
 27 entities as defendants in this matter as their identities are ascertained.

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FACTUAL ALLEGATIONS COMMON TO EACH COUNT

15. Plaintiffs re-allege and restate paragraphs 1 through 14 as if fully set forth herein.

16. This Complaint involves payments Allstate made to, and/or on behalf of, claimants who were involved in automobile accidents. Such claimants were individuals who either had claims against Allstate's insureds (third party claimants) or who were making claims as Allstate insureds (first party claimants.)

17. Attached to this Complaint as Exhibit "A"¹ is a list of the two hundred and fifteen (215) specific claimants that Plaintiffs are, at this time, claiming involved Defendants and resulted in substantial monetary damages. Generally, the claimants listed in Exhibit "A" had interactions with Defendants between 2008 and the filing of this civil action. This list of claimants is incorporated herein by reference when reference is made to the underlying claims that form the basis of this litigation.

18. Each of these claimants as identified in Exhibit "A", whether third party claimants or first party claimants, were billed for services (e.g., physician examinations, referrals, procedures, etc.) allegedly provided for their personal injuries at UUC, DRS, and/or RJS between 2007 and 2014, and received a settlement payment from Plaintiffs pursuant to insurance policies issued by Plaintiffs.

19. The treatment which UUC, DRS, and RJS provided was based upon a standardized pattern developed by Dr. Dipti Shah and Dr. Russell Shah with the express purpose of creating inflated medical bills that would be used to leverage artificially enhanced settlement values to be paid by insurance companies rather than providing patient-centered treatment with the goal of actually healing injuries. Defendants and each of them, caused to be presented to Plaintiffs grossly exaggerated bills for treatment that was medically unnecessary for claimants identified in Exhibit "A."

20. Dr. Dipti Shah has a financial interest in UUC, DRS, and RJS. Dr. Dipti Shah either directly referred or indirectly caused to be referred patients from UUC to DRS and/or RJS. The referral of patients from UUC to DRS and/or RJS amounted to an illegal-self referral in violation of 42

¹ Exhibit A identifies patients by initials. Patient names have not been provided in order protect patient confidentiality. Once a Qualified Protective Order is in place, the patient's identities will be disclosed.

1 USC § 1395nn and NRS § 439B.425. Further, Dr. Dipti Shah either directly referred or indirectly
 2 caused to be referred patients from DRS to RJS. The referral of patients from DRS to RJS also
 3 amounted to an illegal-self referral in violation of 42 USC § 1395nn and NRS § 439B.425.

4 21. Dr. Russell Shah has a financial interest in UUC, DRS, and RJS. Dr. Russell Shah
 5 either directly referred or indirectly caused to be referred patients from UUC to DRS and/or RJS. The
 6 referral of patients from UUC to DRS and/or RJS amounted to an illegal-self referral in violation of 42
 7 USC § 1395nn and NRS § 439B.425. Further, Dr. Russell Shah either directly referred or indirectly
 8 caused to be referred patients from RJS to DRS. The referral of patients from RJS to DRS also
 9 amounted to an illegal-self referral in violation of 42 USC § 1395nn and NRS § 439B.425.

10 22. With regard to the actual treatment of patients at UUC, DRS, and RJS, both Dr. Dipti
 11 Shah and Dr. Russell Shah were instrumental in carrying out the fraudulent scheme.

12 23. Plaintiffs further allege that Defendants prepared and/or caused to be presented to
 13 Plaintiffs, between 2007 and 2014, medical reports and billing records that falsely reported symptoms,
 14 complaints, and injuries for each of the claimants identified in Exhibit "A" which were either
 15 exaggerated or not supported at all by the facts of the accident, that made pre-programmed,
 16 unsubstantiated findings and diagnoses and which prescribed treatment plans which were more
 17 consistent with generating large medical bills rather than patient-centered and evidence-based
 18 treatment of the patients' actual clinical conditions.

19 24. Upon a claimant presenting at UUC, RJS, or DRS for treatment, Defendants'
 20 fraudulent scheme would begin by requiring the claimants to execute a lien that required payment for
 21 the medical services provided to be made out of any settlement or judgment the patient might obtain.
 22 Accordingly, at all times Defendants knew that the liens for these claimants ultimately would be paid
 23 by insurance money when the case either settled or went to judgment in the claimant's favor.

24 25. Since UUC, DRS, and RJS would be paid from settlement proceeds, it was the hope of
 25 Defendants to get the medical specials as high as possible by inflating their bills or for billing for
 26 services never provided. This was accomplished by providing and billing for unnecessary medical
 27 procedures. Plaintiffs have reason to believe that this conduct was known by the other Defendants to
 28 be occurring. Thus, with inflated and/or fraudulent bills, it was easy for UUC, DRS, and RJS to

1 “reduce” their lien while still generating a profit.

2 26. Patients were uniformly referred for further procedures in a manner that would be
3 consistent with a pre-programmed protocol, rather than a response to a patient’s clinical need for such
4 referrals. Patients experienced referrals without evidence of documented clinical questions
5 necessitating the need for such procedures. For example, it was the practice for UUC patients to be
6 seen by Nurse Practitioners rather than a physician. Subsequently, UUC patients, regardless of their
7 clinical presentation, would routinely be set up with a referral from UUC, where Dr. Dipti Shah is the
8 supervising physician, to DRS, where Dr. Dipti Shah would then see the patient under the umbrella of
9 DRS. Additionally, patients would come back for follow up visits conducted by Nurse Practitioners.
10 This process was for the purpose of driving up the medical expenses of that claimant. Plaintiffs are
11 informed and believe that such referrals were again for the purpose of “building a case” and increasing
12 the “value” of said case by inflating the medical specials rather than treating a patient’s actual, clinical
13 needs.

14 27. The claimant’s records show many MRI scans without adequate justification in the
15 medical record for the imaging, in particular where the record indicated the patient was improving.
16 Further, the medical records show that across claimants the entries were pre-programmed entries.

17 28. For example, claimant F.M. stated that he was initially seen at UUC by a Nurse
18 Practitioner. F.M. was referred by UUC to Dr. Dipti Shah and DRS. However, once F.M. began
19 going to DRS, he continued to be treated by the same Nurse Practitioner from UUC. Later, Dr. Dipti
20 Shah/DRS referred F.M. to Dr. Russell Shah. Claimant K.N. also initially saw Dr. Dipti Shah, who
21 prescribed and dispensed medication. Later K.N. described being treated by Dr. Russell Shah, who
22 filled his prescription, as well as ordered an MRI and nerve test.

23 29. UUC’s and DRS’s reports and clinical records for these claimants were prepared by or
24 under the direction of Dr. Dipti Shah. UUC’s and DRS’s reports were filled with substantially similar
25 descriptions and virtually identical statements, regardless of the actual circumstances of the accident,
26 or the, gender, age, and physical condition of the claimant designed to misrepresent the need for
27 ongoing treatment.

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1 30. There is evidence of billing for services using billing codes (“CPT codes”) that indicate
2 a substantially higher level of care than what was actually provided. This is commonly referred to as
3 “upcoding.”

4 31. Further, patients were routinely prescribed medication at either UUC or DRS with little
5 or no clinical utility and with no concern for individual treatment of the patients’ symptoms. Said
6 prescriptions were then dispensed by Dr. Dipti Shah at prices well above market value.

7 32. Dr. Russell Shah provided testing for patients indicating a pattern of improbable
8 findings of “numbness” and “tingling.” As such, Dr. Russell Shah conducted EMG/NCV testing
9 conducted that was not warranted or was otherwise excessive based on patient’s symptoms and
10 complaints.

11 33. There is also substantial evidence of grossly exaggerated clinical findings and
12 diagnoses in the reports and referrals made by UUC and DRS. Typically, patient records reported
13 generic diagnoses not related to any specific patient’s presentation. Patients were generally reported as
14 having cervical, thoracic or lumbar pain and/or sprain/strain, as well as neuropathy. Based upon such
15 diagnoses, patients were treated according to a “recipe” of medically unnecessary care consisting of
16 primarily aggressive procedures.

17 34. In addition, the dose of care prescribed for each claimant was not significantly altered
18 regardless of the documented clinical complaints of the patient. For example, one would expect
19 different treatment based upon the individual characteristics of the patient and the injury and accident
20 involved. One would also expect a decrease in the level of treatment over time as patients clinical
21 conditions improved. However, UUC, DRS, and RJS did not vary treatment according to each
22 claimant’s needs or actual physical condition, but rather the treatment was based upon a recipe that
23 was inconsistent with the patient’s probable clinical needs. Moreover, even the grossly exaggerated
24 diagnoses of these patients still did not support the need for the ultimate delivery of multiple tests and
25 procedures prior to any attempt to provide conservative treatment such as physical therapy. This
26 pattern and practice of the enterprise and tortious conduct is found throughout the records of the
27 various claimants.

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1 35. After rendering their purported care to the claimants, Defendants would then submit to
2 the claimants' personal injury attorney medical records and invoices for examinations, surgical
3 procedures, testing, and ancillary services purportedly performed. At all times, Defendants knew that
4 these invoices and medical records would be used to substantiate the claimants' injury claims and that
5 insurers such as Plaintiffs would eventually receive the invoices and medical records as part of a
6 settlement demand package in the injury case. At all times, the Defendants herein knew that insurers
7 such as Plaintiffs would receive and rely upon the medical reports and billings to evaluate and
8 determine settlement positions in the injury cases to which they pertained.

9 36. UUC, DRS, and RJS typically submitted the bills for treatment of the claimants to the
10 claimants' respective legal counsel, who used the inflated billing statements as leverage to extract
11 artificially enhanced settlements.

12 37. Upon settlement of the personal injury claim, or upon the entry of a judgment in the
13 claimant's favor, the claimant's personal injury counsel would receive a payment from an insurance
14 company to fund the settlement or satisfy the judgment.

15 38. Defendants would then enforce medical liens after the claimants and/or their legal
16 counsel received these proceeds from the insurer on the file, which in the instances complained of
17 herein was Plaintiffs. Thus, payment for medical, diagnostic, surgical, and other services provided
18 were all based upon a settlement or judgment in the underlying claim, with the understanding in every
19 case that insurance money would provide the settlement or judgment proceeds.

20 39. In cases involving first party claims, after rendering their purported care to the
21 claimants, Defendants would then submit directly to insurance companies, including Plaintiffs,
22 medical records and invoices for therapy.

23 40. At all times, in cases involving first party claims, Defendants knew that insurers such
24 as Plaintiffs would receive and rely upon the medical reports and billings to evaluate and determine
25 payments directly to Defendants in the injury cases to which they pertained.

26 41. Plaintiffs in the normal and due course, received and reasonably relied upon the reports
27 and bills from Defendants. It was foreseeable to Defendants that this would occur and that Plaintiffs
28 would rely on this information.

42. Further, Plaintiffs did reasonably rely upon this documentary information to their detriment in investigating and evaluating claims and determining the amounts to pay in settlement of the claims being made by or against Plaintiffs' insureds.

43. Insurance companies such as Plaintiffs have thereby been defrauded through the false, fraudulent scheme of Defendants to extract excessive settlement monies from insurers, including Plaintiffs. The Defendants herein have perpetrated their fraudulent scheme upon Plaintiffs through a concerted effort participated in by all of the defendants as detailed more fully below.

44. These Defendants all worked in concert together for the shared purpose of defrauding Plaintiffs. In order to achieve this purpose, these Defendants developed relationships with each other and worked in concert over a period of time from at least 2007 forward. In addition, the individuals employed by or associated with each entity Defendant participated in performing the predicate acts which constitute the racketeering and fraudulent activity alleged below.

45. Plaintiffs first became aware of the injury caused by Defendants' wrongful conduct in 2014. Plaintiffs had no actual knowledge of Defendants' malfeasance and tortuous conduct before 2014. Plaintiffs could not have discovered, through the use of reasonable diligence, the existence of facts, evidence and circumstances establishing the injury caused by the wrongful conduct of Defendants any sooner than this time.

COUNT ONE

Racketeer Influenced and Corrupt Organizations Act 18 USC §1962(c) –

Conduct of Enterprise through Racketeering

(Against All Defendants)

46. Plaintiffs re-allege and restate paragraphs 1 through 45 as if fully set forth herein.

47. Plaintiffs have standing to seek to recover damages from Defendants. In this case, the claimants were mere conduits through which the Defendants herein extracted funds from Plaintiffs to which they were not entitled. As a result of the fraudulent billings, referrals, treatment and medical reports which the participants of the enterprise generated and caused to be presented to Plaintiffs, the claimants received settlements and judgments at amounts/sums to which (at least in part) the claimants were not otherwise entitled. Defendants knowingly used these individual claimants as the vehicles by

1 which Defendants fraudulently obtained money from Plaintiffs to which they were not entitled.

2 48. Dr. Dipti Shah was and is an individual “person,” within the meaning of 18 USC
3 §§1961(3) and 1962(c), who associated with and/or participated in the conduct and affairs of the
4 enterprise as described above. This participation consisted of forming and operating the various
5 components of the enterprises, and the combined parts of them, through the illegal self-referral of
6 patients between UUC, DRS, and RJS, the fraudulent procedures and billings described in greater
7 detail above.

8 49. Dr. Russell Shah was and is an individual “person,” within the meaning of 18 USC
9 §§1961(3) and 1962(c), who associated with and/or participated in the conduct and affairs of the
10 enterprise as described above. This participation consisted of forming and operating the various
11 components of the enterprises, and the combined parts of them, through the illegal self-referral of
12 patients between UUC, DRS, and RJS, the fraudulent procedures and billings described in greater
13 detail above.

14 50. The combination of UUC, DRS, RJS, Dr. Dipti Shah, and Dr. Russell Shah constituted
15 an “association in fact” enterprise within the meaning of 18 USC §1961(4). These Defendants all
16 worked in concert together for the shared purpose of defrauding Plaintiffs. In order to achieve this
17 purpose, these Defendants developed relationships with each other and worked in concert over a
18 period of time from at least 2007 forward. In addition, the individuals employed by or associated with
19 each entity Defendant, joined and became part of the association in fact enterprise by combining with
20 the entities with which they were not employed, and with the individuals employed by those entities,
21 in performing the predicate acts which constitute the racketeering activity alleged below.

22 51. With regard to the actual treatment of patients, Dr. Dipti Shah and Dr. Russell Shah
23 were instrumental in carrying out the fraudulent scheme of the enterprise. The treatment which was
24 provided was based upon a standardized pattern developed by the enterprise participants with the
25 express purpose of creating inflated medical bills that would be used to leverage artificially enhanced
26 settlement values to be paid by insurance companies rather than providing patient-centered treatment
27 with the goal of actually healing injuries.

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1 52. Under the auspices of purportedly legitimate professional corporations, the structures
2 were in place for Dr. Dipti Shah and Dr. Russell Shah to conduct the enterprise's illicit referral
3 schemes and for the enterprise to benefit from the income being realized by UUC, DRS, and RJS.

4 53. At all relevant times, UUC provided treatment, care and referrals for numerous
5 claimants involved with personal injury claims against Plaintiffs. UUC treated these claimants on a
6 lien basis and therefore knew from the inception of the treatment that the best source of payment for
7 that treatment would be monies paid by Plaintiffs in settlement of these claims and/or in satisfaction of
8 any judgment the claimants might obtain. Dr. Dipti Shah and Dr. Russell Shah owned and/or
9 controlled UUC. Employees of UUC, under the oversight of Dr. Dipti Shah, saw claimants, generated
10 written reports, made referrals and created bills for the professional services rendered at UUC.

11 54. At all relevant times, DRS provided treatment, care and referrals for numerous
12 claimants involved with personal injury claims against Plaintiffs. DRS treated these claimants on a
13 lien basis and therefore knew from the inception of the treatment that the best source of payment for
14 that treatment would be monies paid by Plaintiffs in settlement of these claims and/or in satisfaction of
15 any judgment the claimants might obtain. Dr. Dipti Shah owned and/or controlled DRS. Dr. Dipti
16 Shah and others employed by DRS saw claimants, generated written reports, made referrals and
17 created bills for the professional services rendered at DRS.

18 55. At all relevant times, RJS provided testing, procedures, treatment, care and referrals for
19 numerous claimants involved with personal injury claims against Plaintiffs. RJS treated these
20 claimants on a lien basis and therefore knew from the inception of the treatment that the best source of
21 payment for that treatment would be monies paid by Plaintiffs in settlement of these claims and/or in
22 satisfaction of any judgment the claimants might obtain. Dr. Russell Shah owned and/or controlled
23 RJS. Dr. Russell Shah and others employed by RJS saw claimants, preformed tests and procedures,
24 generated written reports, made referrals and created bills for the professional services rendered at
25 RJS.

26 56. Dr. Dipti Shah and Dr. Russell Shah controlled and/or managed employees of UUC,
27 DRS, and RJS who administered the processing of bills for the professional services rendered at UUC,
28 DRS, and RSJ and caused the bills to be presented to Plaintiffs.

1 57. Between 2007 through 2014, the Defendants conducted, participated in, engaged in, or
2 aided and abetted, the conduct of the affairs of the enterprise through a pattern of racketeering activity
3 within the meaning of 18 USC §§1961(1), 1961(5) and 1962(c).

4 58. The Defendants, either directly or through employees, committed predicate acts of mail
5 fraud and wire fraud within the meaning of 18 USC §§1341, 1343 and 1961(1). These acts consisted
6 of making false and misleading statements, or statements made as an artifice or scheme to defraud, in
7 written medical records and associated billing records relating to services, diagnoses, tests, and
8 treatments that either were medically unnecessary or at a minimum were greatly exaggerated or
9 embellished, for the specific intent and purpose of supporting inflated and fraudulent settlement
10 demands in personal injury cases for which these services were performed.

11 59. The separate acts of mail and wire fraud are numerous, but consist, at a minimum, of
12 separate mailings and/or wire transmissions of information included within medical records,
13 diagnoses, tests, MRIs, scans, procedures, and/or treatments to attorneys retained by claimants and or
14 Plaintiffs themselves for the purposes of carrying out the enterprise's fraudulent scheme. The
15 predicate acts further consist of mailings and or wire transmissions of fraudulent information to
16 Plaintiffs designed to enhance the value of the claimant's cases for the purposes of supporting those
17 claimant's artificially enhanced settlement demands.

18 60. Every act of falsehood or item containing misleading information in such
19 transmissions, facilitated through the use of the United States Mail or wire transmissions, constitutes a
20 separate act of mail and/or wire fraud and hence a separate predicate act within the meaning of RICO
21 and cases interpreting RICO as well as the mail fraud provisions of 18 USC §1341, and wire fraud
22 provisions of 18 USC §1343, which are both recognized predicate acts of racketeering activity under
23 18 USC §1961(1) and (4).

24 61. From in or about 2007 through 2014, Defendants knowingly and willfully, and with
25 intent to defraud, devised a scheme to defraud certain entities, including Allstate, by obtaining money
26 from these entities through false and fraudulent pretenses and representations. These acts all occurred
27 after the effective date of the RICO Act and more than two such acts occurred within ten years of one
28 another.

62. Plaintiffs became aware of the injury caused by Defendants' pattern of racketeering activity in 2014. Plaintiffs could not have discovered, through the use of reasonable diligence, the injury caused by the predicate acts of racketeering activity any sooner than this time. In fact, it was not until the Plaintiffs confirmed their suspicions through the retention of qualified medical experts who reviewed a sampling of the medical records and billings of various claimants. Prior to 2014, Plaintiffs were unaware of the fraudulent conduct and activity of Defendants. Up until that point, it was reasonable, proper and appropriate for Plaintiffs to rely upon the documents Plaintiffs received in evaluating and ultimately settling the claims of those individuals set forth in Exhibit A.

63. At all relevant times, the enterprise alleged above was engaged in, and its activities affected, interstate commerce. Not only were the defendants aware that their activities would have an effect on interstate commerce, but, more importantly, many of the fraudulent and false representations at issue were actually transmitted by wire and or sent through the mail across state lines.

64. All of the predicate acts described in this Complaint were related and establish a pattern of racketeering activity, within the meaning of 18 USC §1962(c), in that their common purpose, and their common result, was to defraud Plaintiffs of money. Plaintiffs were the victim of the acts of racketeering; and/or the acts of racketeering were otherwise interrelated by distinguishing characteristics and were not isolated events.

65. All of the predicate acts described within this Complaint were continuous so as to form a pattern of racketeering activity in that "persons" participating in the enterprise engaged in the predicate acts over a substantial period of time or in that such predicate acts had become part of the enterprise participants' regular way of conducting business and said business practices would have continued indefinitely into the future but for this lawsuit.

66. At all times, Plaintiffs were the reasonably foreseeable and/or anticipated victims of Defendants' scheme and Plaintiffs were the target or victim of the fraudulent scheme to have Plaintiffs pay damages or settlements based on UUC's, DRS's, and RJS's fraudulent medical reports and billings. Defendants reasonably knew that Plaintiffs would have a legal obligation to negotiate in good faith and make reasonable attempts to settle the underlying claims. As such, it was reasonably foreseeable and anticipated that Plaintiffs would rely on the conduct, documents and other information

1 provided by Defendants in evaluating the respective cases and, ultimately, entering into settlements.

2 67. Plaintiffs were directly injured by the Defendants' fraudulent conduct, since Plaintiffs
3 paid settlements and judgments that were based, at least in part, on inflated medical bills, illegal self-
4 referrals, and procedures that were not medical necessary.

5 68. As a direct and proximate result of, and by reason of, the activities of the Defendants
6 and their conduct in violation of 18 USC §1962(c), Plaintiffs have been injured in their business or
7 property, within the meaning of 18 USC §1964(c).

8 69. Among other things, Plaintiffs have suffered damages to the extent they paid for
9 settlements or judgments of UUC, DRS, and RJS patients on the basis of fraudulently inflated billings.
10 Plaintiffs are, therefore, entitled to recover threefold the damage they have sustained together with the
11 cost of the suit including costs, reasonable attorneys' fees and reasonable experts' fees.

12 COUNT TWO

13 **Racketeer Influenced and Corrupt Organizations Act 18 USC §1962(d) – Conspiracy**

14 **(Against All Defendants)**

15 70. Plaintiffs re-allege and restate paragraphs 1 through 69 as if fully set forth herein.

16 71. Upon Plaintiffs' information and belief, Dr. Dipti Shah, Dr. Russell Shah, DRS, RJS,
17 and UUC, and each of them, conspired together to conduct or participate, directly or indirectly, in the
18 conduct of the affairs of the enterprise described within this Complaint through a pattern of
19 racketeering activity in violation of 18 USC §1962(d). In particular, these Defendants intended to
20 further an endeavor which, if completed, would satisfy all of the elements of a fraudulent scheme to
21 extract excessive settlement monies from insurers including Plaintiffs. Moreover, as referenced above,
22 these defendants agreed to use the U.S. Mail and/or wire services such as telephone, facsimile or email
23 to carry out their fraudulent scheme.

24 72. From in or about 2007 through 2014, Defendants knowingly and willfully, and with
25 intent to defraud, devised a scheme to defraud insurance companies, including Allstate, by obtaining
26 money from these insurance companies through false and fraudulent pretenses and representations as
27 outlined more fully above.

28 ///

73. Plaintiffs were injured by the co-conspirators' overt acts that are acts of racketeering or otherwise unlawful under the RICO Act, which included (among other acts) acts of mail and wire fraud.

2 | otherwise unlawful under the RICO Act, which included (among other acts) acts of mail and wire
3 | fraud.

3 || fraud.

74. As a direct and proximate result of, and by reason of, the activities of the co-
conspirators of the enterprise, and the conspiracy alleged herein, Plaintiffs have been injured in its
business or property, within the meaning of 18 USC §1964(c).

5 conspirators of the enterprise, and the conspiracy alleged herein, Plaintiffs have been injured in its
6 business or property, within the meaning of 18 USC §1964(c).

6 || business or property, within the meaning of 18 USC §1964(c).

7 75. Among other things, Plaintiffs have suffered damages to the extent the co-conspirators
8 and/or each of them, received money from settlements or judgments paid by Plaintiffs on the basis of
9 UUC's, DRS's and RJS's fraudulently inflated billings. Plaintiffs have additionally suffered further
10 damages to the extent Plaintiffs had to settle, for grossly inflated amounts, claims with first party
11 claimants who had pending personal injury claims with Allstate, directly, or claims of third party
12 claimants against Plaintiffs' insureds. Plaintiffs are, therefore, entitled to recover threefold the damage
13 they have sustained together with the cost of the suit, including costs, reasonable attorneys' fees and
14 reasonable experts' fees.

8 and/or each of them, received money from settlements or judgments paid by Plaintiffs on the basis of

9 UUC's, DRS's and RJS's fraudulently inflated billings. Plaintiffs have additionally suffered further
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12 claimants against Plaintiffs' insureds. Plaintiffs are, therefore, entitled to recover threefold the damage

13 they have sustained together with the cost of the suit, including costs, reasonable attorneys' fees and

14 reasonable experts' fees.

COUNT THREE

Fraud and Intentional Misrepresentations

(Against All Defendants)

18 76. Plaintiffs re-allege and restate paragraphs 1 through 75 as if fully set forth herein.

77. At all times herein relevant, Defendants knowingly communicated to Plaintiffs false representations of material fact in their reports, records, referrals and billings. Defendants engaged in numerous misrepresentations pursuant to the scheme, set forth with particularity above in this Complaint. This includes, but is not limited to numerous evaluations and treatment reports, referrals and billing records of UUC, DRS, and RJS containing statements of services that were at best grossly exaggerated, and misrepresentations that services were medically necessary or called for by the condition presented by the claimants.

20 representations of material fact in their reports, records, referrals and billings. Defendants engaged in

21 numerous misrepresentations pursuant to the scheme, set forth with particularity above in this

22 Complaint. This includes, but is not limited to numerous evaluations and treatment reports, referrals

23 and billing records of UUC, DRS, and RJS containing statements of services that were at best grossly

24 exaggerated, and misrepresentations that services were medically necessary or called for by the

25 condition presented by the claimants.

78. At all times herein relevant, Defendants knew and intended that others, such as insurance companies like Plaintiffs, would rely on their misrepresentations in evaluating pending claims against Plaintiffs' insureds or by Plaintiffs' insureds themselves. Defendants made these

27 insurance companies like Plaintiffs, would rely on their misrepresentations in evaluating pending

28 claims against Plaintiffs' insureds or by Plaintiffs' insureds themselves. Defendants made these

1 misrepresentations with knowledge of their falsity or at minimum in reckless disregard for their truth.
2 Defendants knew that numerous physician referrals were excessive, not medically necessary and
3 unreasonable. Further, the Defendants were aware that the diagnoses provided were not accurate and
4 were not supportable by the medical evidence present. Defendants acted to aggrandize themselves
5 financially by inflating the medical bills knowing that settlement decisions are made in material part
6 on the extent of medical treatment and cost.

7 79. From in or about 2007 through 2014, Defendants knowingly and willfully, and with
8 intent to defraud, devised a scheme to defraud certain entities, including Plaintiffs, by obtaining
9 money from these entities through false and fraudulent pretenses and representations.

10 80. In making the above-described misrepresentations, Defendants intended to defraud
11 Plaintiffs and to induce Plaintiffs' reliance. Defendants were aware that the claimants each had
12 litigated claims for which insurance would be the likely source of recovery. Defendants further were
13 aware that the professional services being provided by them would be paid from the proceeds of any
14 settlement or judgment paid by Plaintiffs. Defendants' reports, referrals and bills each included
15 medically unnecessary services in these claims, all of which would be used to form the basis for a
16 monetary settlement.

17 81. At all times herein relevant, Allstate reasonably and justifiably relied, to its detriment,
18 on the misrepresentations made by Defendants. Plaintiffs have a legal obligation to protect the
19 interests of its insureds and pay reasonable bills, judgments and/or settlements of claims involving
20 their insureds. Thus, Plaintiffs were legally bound to pay money, pursuant to their policies with their
21 insureds, to resolve claims caused by the negligence of Plaintiffs' insureds or others who injured
22 Plaintiffs' insureds. Because of Defendants' fraudulent conduct, Plaintiffs greatly overvalued and
23 thus, overpaid, for the settlements of over twenty-seven claims.

24 82. Defendants' misrepresentations proximately caused damages to Plaintiffs. As a direct
25 and proximate result of Defendants' fraud and intentional misrepresentations, Plaintiffs have suffered
26 damages in an amount which is unknown at this time, but which is estimated to be in excess of
27 Seventy-Five Thousand Dollars (\$75,000.00).

28 ///

90. Further, the conduct of Defendants, as described within this Complaint was willful, conscious, and done with a reckless disregard to Plaintiffs and with the express purpose of obtaining money from Plaintiffs through fraudulent billings, reports, records and referrals.

COUNT FIVE

Nevada State RICO Violations – NRS §207.400

(Against All Defendants)

91. Plaintiffs repeat and re-allege the allegations of paragraphs 1 through 90 of the Complaint as if fully set forth herein.

92. Each of the fraudulent claims described above demonstrate that Defendant committed: (1) grand larceny by obtaining money under false pretenses, a crime related to racketeering under NRS §207.360(16); (2) taking property from another under circumstances not amounting to robbery, a crime related to racketeering under NRS §207.360(9); (3) insurance fraud pursuant to NRS §686A.291, a crime related to racketeering under NRS §207.360(30); and (4) illegal self-referral of patients in violation of NRS §439B.425.

93. Dr. Dipti Shah and Dr. Russell Shah, working in concert through UUC, DRS, and RJS, made false and fraudulent representations, reports, bills and referrals in support of excessive, inflated, medically unreasonable and inflated claims with the intent to obtain and did, in fact, obtain insurance proceeds that Defendants knew they had no right to receive.

94. Plaintiffs justifiably and reasonably relied upon these misleading documents and misrepresentations to their detriment in evaluating, assessing and paying insurance claims and claims-related expenses.

95. UUC, DRS, RJS, Dr. Dipti Shah, and. Dr. Russell Shah together constitute an enterprise separate and distinct from each individual Defendant. Each and every Defendant conducted and participated in the affairs of the enterprise through a pattern of racketeering activity including grand larceny, insurance fraud and taking property from another under circumstance not amounting to robbery.

96. The Defendants further conducted the affairs of the foregoing enterprise through racketeering activity as identified above.

97. Each Defendant associated with the enterprise and participated directly or indirectly in the conduct of the enterprise through racketeering activity as identified above.

///

101. Plaintiffs demand judgment against the Defendants as follows: actual and consequential damages to be established at trial; treble damages, interest, costs and reasonable attorneys' fees; investigative costs pursuant to NRS §207.470(1); and injunctive relief enjoining the Defendants from engaging in the wrongful activities alleged in the Complaint as the Court deems just.

/ / /

1 the tortious conduct of Defendants. Plaintiffs acknowledge that it would likely have had to pay some
 2 compensation/consideration to obtain closure of most of the underlying claims (assuming the
 3 claimants would have even pursued their own claims absent the interference of Defendants). However,
 4 “but for” the conduct of Defendants, the costs associated with the resolution of those claims would
 5 have been accomplished at a savings of hundreds of thousands of dollars less than what was paid as a
 6 direct result of Defendants conduct.

7 114. Those funds received by Defendants from Plaintiffs, to which Defendants were not
 8 entitled, have unjustly enriched Defendants at the expense of Plaintiffs.

9 115. By the conduct of Defendants in making false reports, unnecessary referrals, material
 10 misrepresentations, nondisclosures and other false representations to its claimants and, indirectly to
 11 Plaintiffs to fraudulently obtain insurance proceeds by false pretenses, it would be inequitable for
 12 Defendants to retain the benefit of the insurance and/or settlement payments made by Plaintiffs.

13 116. Plaintiffs demand judgment against Defendants individually, jointly and separately and
 14 that this Court impose a constructive trust upon Defendants in an amount representing those funds
 15 received by Defendants from Plaintiffs, as set forth above in this Complaint.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiffs pray for relief as follows:

- 18 1. That Plaintiffs be awarded a judgment in their favor for each of the Counts set forth in
 19 this Complaint;
- 20 2. For damages consisting of, but not limited to, the following:
 - 21 a. Actual and consequential damages, including economic, general and special
 22 damages, caused by the Defendants’ conduct as alleged herein;
 - 23 b. Treble damages as permitted by the Federal and Nevada State RICO Act;
 - 24 c. Attorney’s fees and all costs, including expert expenses, incurred by Plaintiffs
 25 as a result of Defendants’ conduct as permitted by both Federal and Nevada State law both
 26 before and after the filing of this Complaint;
 - 27 d. Punitive damages in an appropriate amount in the discretion of the jury as
 28 permitted by both Federal and Nevada State law, and more specifically under Count Five,

1 Fraud and Intentional Misrepresentation;

2 3. For Judgment that Defendants disgorge to Plaintiffs all amounts received by
3 Defendants from Plaintiffs;

4 4. For Judgment in favor of the Plaintiffs for damages arising from the billing of
5 unreasonable and unnecessary healthcare services by Defendants; and

6 5. That Plaintiffs be awarded such other and further relief as the Court deem just and
7 proper.

8 DATED this 17th day of September, 2015

9 McCORMICK, BARSTOW, SHEPPARD,
10 WAYTE & CARRUTH LLP

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